

## **COMPETITIVE SOURCING NEWSLETTER OCTOBER 2002**

### **CREATING A SUCCESSFUL STATEMENT OF WORK (SOW)/PERFORMANCE WORK STATEMENT (PWS) FOR A-76 STUDIES**

Developing the SOW/PWS is one of the most important and challenging parts of the cost comparison process. The requirement for developing a statement of work begins upon Congressional notification of an Office of Management and Budget (OMB) A-76 Cost Study.

Several factors should be considered during SOW/PWS development. First, planning is critical. Milestones should be well thought out. Give enough time to complete the task while staying within the mandated time frame. Ask other functional experts who have gone through the process for advice. Poor planning is the primary hindrance to successful SOW/PWS development.

Next, the availability of functional experts for the area under study is vital. The SOW/PWS is only as good as the information provided by the SOW/PWS team. It is critical for the functional experts to be dedicated full time to the effort. This highlights leadership's dedication to a high quality product, meeting milestones, and success of the cost comparison.

When creating the SOW/PWS, remember it must be performance-based. Performance-based contracts describe the requirements in terms of what work is required not how the service is accomplished. This is where market research is so important. Market research focuses on the commercial terms and practices thereby allowing competing contractors and the most efficient organization (MEO) to be innovative and alert to opportunities for efficiencies and improvements.

Developing a SOW/PWS may be frustrating at times, however a well researched and thorough SOW will ensure that all work center tasks are addressed and that prospective service providers are totally aware of the requirements of the work center. To assist you HQ AFCESA has developed SOW templates for 38 individual service contracts as well as SOW templates for the CE Squadron and Flights. The Competitive Sourcing Help Desk is also available to review your documents and provide on-site assistance. Visit the AFCESA website at [www.afcesa.af.mil/Directorate/CEO/Contracts/Outsourcing](http://www.afcesa.af.mil/Directorate/CEO/Contracts/Outsourcing).

### **CONTRACT ADMINISTRATION COSTS**

Contract Administration costs are those costs of administering the contract such as processing invoices that would not be incurred unless the work is converted to contract. These costs do not include inspection and other administrative requirements that are common for both contract and Government performance. Therefore, when the most efficient organization (MEO) includes a Quality Control Program, if required by the statement of

work (SOW), it is not the same as the Quality Assurance Surveillance Plan. The Quality Assurance Surveillance Plan is intended to determine if the in-house or contractor is meeting the requirements of the SOW. The Quality Control Program is designed to provide a quality control process and to ensure that the organization (MEO or contractor) actually follows it. It puts the burden for quality control on the MEO or contractor. It is not inspection driven nor based on detailed “how to” requirements. The authorizations necessary to staff the Quality Control Program for the MEO are included and costed as part of the MEO personnel costs.

## **ASSISTANCE**

For help in planning your Cost Comparison, Direct Conversion, or Reengineering efforts call the HQ AFCESA Competitive Sourcing Help Desk at DSN 523-4970 or e-mail: [cshelpdesk@tyndall.af.mil](mailto:cshelpdesk@tyndall.af.mil).

The Competitive Sourcing Help Desk consists of three full-time professionals with extensive experience in the competitive sourcing/cost comparison process: an engineer, a contracting specialist, and a manpower expert. They operate from AFCESA to provide Competitive Sourcing and Reengineering support services including, but not limited to, the following:

- Answering competitive sourcing/cost comparison/reengineering related questions.
- Providing technical advice to Cost Comparison CE Steering Committee members.
- Assisting in developing acquisition strategies.
- Providing guidance on new acquisition procedures.
- Reviewing statements of work, quality assurance plans, and management plans.
- Maintaining a repository of lessons learned from CE activities.
- Providing assistance on reengineering/manpower standards development efforts.